

MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK

**FORMAL SESSION
March 20, 2003**

The Board of Supervisors of Maricopa County, Arizona convened at 12:00 p.m., March 20, 2003, in the CSA Boardrooms A and B, 1905 W. Washington St., Phoenix, Arizona, in a joint meeting with the County Supervisors Association and Legislative Policy Committee.

President-elect Bob McLendon called the County Supervisors Association Board of Directors and Legislative Policy Committee meeting to order at 12:34 p.m. The following members were present:

Fulton Brock, Maricopa County, Max Wilson, Maricopa County, Mary Rose Wilcox, Maricopa County, Andy Kunasek, Maricopa County, Don Stapley, Maricopa County, Tom White, Jr., Apache County, Jim Claw, Apache County, Paul Newman, Cochise County, Pete Byers, Mohave County, Deb Hill, Coconino County (Telephonically), Pete Shumway, Navajo County, Ron Christensen, Gila County, Jesse Thompson, Navajo County, Jim Palmer, Graham County, Jimmie Kerr, Pinal County, Dixie Zumwalt, Greenlee County, Sandie Smith, Pinal County (Telephonically), Gene Fisher, La Paz County, Chip Davis, Yavapai County (Telephonically), Bob McLendon, Yuma County, Lenore Stuart, Yuma County, Lucy Shipp, Yuma County (Telephonically)

Others present:

Senator Jim Waring, Sheila Harris, Director, AZ Dept. of Housing, Jake Logan, House of Representatives, Elizabeth Hatch, House of Representatives, Todd Sanders, House of Representatives, Jim Sawyer, AACo, Evelyn Hill, Apache County, Eddie Koury, Navajo County, Darlene Tracy, Apache County, Kevin Tunell, Yuma County, Fran McCarroll, Maricopa County, Terry Doolittle, Pinal County, Diane Sikokis, Maricopa County, Dennis Miller, Santa Cruz County, Mike Becker, Maricopa County, Paul Golab, Maricopa County, Eric Latto, Maricopa County, Chuck Williams, ACIP, Bruce Bartholomew, Maricopa County, Terri Leija, Maricopa County, Scott Isham, Maricopa County, Doug Cole, Maricopa County, Lisa Atkins, CSA Staff, Bill Hardy, ACIP, Penny Adams, CSA Staff, Art Chapa, Pima County, Sally Bender, CSA Staff, Jerry Orrick, Al Ecker, CSA Staff, Joan Serviss, CSA Staff, Kristen Lopes, CSA Staff,

OPENING REMARKS

The pledge of allegiance was led by Mary Rose Wilcox. Penny Adams called roll and a quorum was present. President-elect Bob McLendon wished Don Stapley happy birthday. A card was signed by everyone present to be presented to Supervisor Stapley. President-elect McLendon thanked Maricopa County for their security personnel being present at today's meeting due to all five Maricopa County supervisors being in attendance. President-elect McLendon called for a moment of silence in prayer and thoughtfulness for Larry Richmond and the military personnel who are serving our country.

APPROVAL OF MINUTES OF THE FEBRUARY 20, 2003 BOARD OF DIRECTORS MEETING

Paul Newman moved to approve the minutes of the February 20, 2003 board of directors meeting. Jesse Thompson seconded the motion and the motion passed.

EXECUTIVE DIRECTOR REPORT

Lisa Atkins said the NACo Legislative Conference was held in Washington, D.C. from February 28 through March 4. A number of county supervisors and elected officials were in attendance at the conference and she asked some supervisors to provide an update. Ron Christensen provided an update on the public land committee that met. Forest health and PILT funding were high priorities. He said counties were successful in obtaining an increase in PILT funding as of that meeting. Another fly-in will be conducted in April on PILT funding and other county needs for counties with large public lands.

MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK

**FORMAL SESSION
March 20, 2003**

Supervisor Christensen held a conversation this morning with Washington and tried to convince OMB on the fire plan. He hopes to have all the details worked out by the Governor's Association Conference in June on the fire plan and the implementation of it.

Don Stapley provided an update on the Large Urban County Caucus (LUCC), of which he is chairman this year. A fly-in was done in January and a follow-up meeting was held during the conference to prioritize the agenda for the upcoming year. A news conference was held to discuss uncompensated healthcare. The steering committee of the LUCC is picking up this issue and there will be a regional meeting in San Diego on May 1 and 2. Issues to be discussed will be uncompensated healthcare, immigration, Homeland Security and trade. He said conversations were held with some key Senators, including Senators McCain and Kyl, on S. 412, Uncompensated Healthcare for Undocumented Aliens.

Paul Newman said the Border County Coalition met with congressional staff from other border states. He said the news conference on uncompensated healthcare was a great success and generated positive feedback. Tom White advised a written report from his attendance at the Legislative Conference was available for those who would like a copy. He said First Lady Laura Bush gave a presentation on the new initiative she has in mind on historic preservation. Homeland Security Director Tom Ridge also gave a report at the conference and mentioned the outline for his new department. He said about \$2 billion in federal dollars has been set aside to fund the department, which will work on a program to reduce the vulnerability of our country through terrorism and improve the response to recovery. Supervisor White said with this money going to this new department, other programs will be affected. Senate Minority Leader Tom Daschle told elected county officials that this is a critical moment in county government. Supervisor White said a NACo survey reported that 72 percent of our nation's counties are facing a budget shortfall and some are facing tax increases. He said that Arizona was very well represented at the NACo conference.

Lisa noted that registration forms for the NACo annual conference scheduled for July 11 through 15 in Milwaukee were available for those who had not directly received forms and she encouraged supervisors to get their registration forms in early. A block of rooms for Arizona delegates is reserved at the Wyndham Milwaukee Center Hotel until May 2.

Lisa advised that of the money approved by the President for FY '03 for First Responder Grants, Arizona will receive \$10.5 million. States have until April 22 to submit grant applications on-line. A memo with the website information was distributed. She also noted that the Assistance for Firefighters Grant Program was reopened. The grant application program will end on April 11 at 5:00 p.m. Copies of the press release were made available. Lisa advised that a CDC Health Advisory was issued earlier this week because of the terrorism threat. Copies of the advisory were made available. Lisa said she would forward updates by e-mail. The BLM is seeking nominations for the Arizona Resource Advisory Council. A copy of the news release was distributed. The deadline for sending nominations and letters of support to the BLM is April 21. A Farm and Ranchland Protection Conference will be held April 16 in Tempe. Information on the conference was distributed.

Lisa advised that the State Treasurer has contacted investors about the potential loss in LGIP due to the bankruptcy of the National Century Financial Enterprises (NCFE) fund. There were approximately 200 investors in NCFE. The Treasurer had asked for each investor to opt-in or opt-out of a class action suit with the Attorney General's (A.G.) Office by tomorrow. The total loss to Arizona is \$131 million, which includes a \$12 million loss to the state and \$46 million to counties. CSA has been in intense discussions with the Treasurer and A.G.'s Office to determine how they are going to approach the bankruptcy, as well as third party assets to recover the monies counties have lost. Last Friday, Tracy Essig of the A.G.'s Office spoke at the County Managers Association meeting. An extension was reached for counties to send in their opt-in or opt-out letters until April 15. Lisa noted that Cochise County did an excellent job in

MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK

**FORMAL SESSION
March 20, 2003**

their response letter to the A.G.'s Office and she encouraged counties to use it as a model. She noted that CSA and the Arizona Counties Insurance Pool (ACIP) have hired attorneys Joe Duke and Ian Macpherson. They will join CSA in a conference call on Monday, March 24, with the cities. CSA will sign a letter today addressed to the State Treasurer accepting the additional time to respond. CSA will meet with the A.G.'s office again next week to determine how to proceed. The State Treasurer will be invited to our next board meeting. Lisa thanked all county staff for their participation on this issue.

April 7 is the beginning of National County Government Week. CSA is asking for the Governor to present a state proclamation to President Bronson and the executive committee during that week. Joan Serviss advised a press conference could be held on the Senate or House lawn, at which the Governor could issue the proclamation to the counties. She requested the name of a contact person from each county to determine the type of information to be provided to the media. Joan will send an e-mail to the counties tomorrow. The purpose of the contact is to be able to demonstrate what resources county government provides.

Lisa advised the Governor held the First Annual Forest Health and Safety Conference in Prescott and a number of supervisors attended. She said she informed Kirk Rodebaugh, State Forester, that counties need to be a part of the roundtables with a variety of governments working on forest issues. Lisa noted that the Citizens Finance Review Commission wants ideas from the public on changes in Arizona's tax structure. President-elect Bob McLendon thanked the county supervisors who reported on the NACo Legislative Conference. He said he looks forward to the NACo annual conference and plans for Yuma County to attend because it seems a lot of good things are getting done at the conferences.

LEGISLATIVE POLICY COMMITTEE

President-elect sought a motion to approve the minutes of the Legislative Policy Committee meeting of February 20, 2003. Andy Kunasek so moved and Dixie Zumwalt seconded the motion. The motion passed.

A. Proposed Legislation Seeking a Position by the LPC

S.B. 1063, 45 mph Speed Limit. Art Chapa, present today as a lobbyist for ACIP, is seeking legislation to amend current law to reduce the miles per hour in statute for unpaved roads in unincorporated areas from 65 to 45 mph for safety reasons. The current speed limit is too high and is causing accidents and creating liability to counties. Counties are held to a standard of 45 mph because that is the standard for the federal government, even though 65 mph is in Arizona statute. The condition of the roads constantly changes due to soil and weather conditions, which means an engineering study would have to keep being repeated, but it costs thousands of dollars. Legislation was sought earlier this session; it unanimously passed House Transportation, but failed on the floor because legislators were confused. Earlier this week, Senator Brown offered a vehicle to use as a strike-all and the Speaker assigned it to the Transportation committee. The chairman of the Transportation committee agreed to hear the bill and it was going to be heard a week from Monday. However, Art explained that earlier today they decided not to bring it before the LPC, but to bring it back for consideration next year, because they agree that the budget issue should be focused on this year and not this bill. He said the bill had already been defeated once this year and it could be again. Pete Shumway distributed a fact sheet on this legislation. He said they hope to regroup and unite next legislation session. He expressed appreciation for Elizabeth Hatch, Bill Hardy, Sally Bender, and ACIP's interest in this legislation on the county's behalf in furthering this cause.

MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK

**FORMAL SESSION
March 20, 2003**

S.B. 1286, Limitation of Actions. Al Ecker reported this bill was alive when it was put on the agenda, but it died on third read yesterday by 13-17 in the Senate. Senator Aguirre is the sponsor. The bill would change the definition of a person with an unsound mind. It is being pushed by the trial lawyers. The bill would allow cases that have already been settled to be reopened to determine further damages. Al recommended a position in opposition, in case the issue came back before the Legislature. Pete Byers moved to oppose the issue. Mary Rose Wilcox seconded the motion and the motion passed.

President-elect McLendon welcomed Senator Waring.

H.B. 2236, EORP Repeal. Al advised this bill was defeated on the House floor by 17-40. It would repeal the elected officials retirement plan for new participants. Representative Pearce introduced it. Al recommended a position in opposition, in case the issue came back. Mary Rose Wilcox moved to oppose the bill. Lenore Stuart seconded the motion and the motion passed.

_____, Justice Court Reform. This bill has not been assigned a number yet. Al said he has been attending several stakeholder meetings regarding a justice court reform package that is being pushed by the Administrative Office of the Courts (AOC) to be sponsored by Senator Huppenthal. There are a lot of provisions in the bill that don't have much impact on counties. Some proposals will be offered separately, such as doubling JP judicial productivity credits for criminal cases. An amendment might also be offered which would prohibit consolidation or colocation of JP courts. Al recommended the LPC oppose the provisions of the bill that would result in a negative fiscal impact to counties and for CSA to monitor it. In response to President-elect McLendon's question, Al advised AOC was not pushing the provisions of this legislation that would have a negative fiscal impact to counties; it was being done by JPs like Lester Pearce. President-elect McLendon said that CSA should continue to monitor the legislation and if it appears some of the items that are negative to counties are making progress, then the LPC should consider taking a position. Don Stapley said that Senator Jarrett is a prime sponsor of the bill, however, she did not attend the stakeholders meeting yesterday and she sent a message to Representative Huppenthal that she would not support any amendments that are negative to the counties. He said she is doing the right thing by counties, and counties should send a message to her that we support her. Jimmie Kerr asked if there was a provision in the bill that would require JPs to be attorneys. Al replied the AOC is proposing to codify the Supreme Court order requiring pro tems to be attorneys by setting up a separate pool of hearing officers to hear certain cases.

B. Proposed Legislation for Information Purposes

Sally Bender provided an update on the bills in the CSA Legislative Package: H.B. 2089, Special Districts; Revisions, went into a House Appropriations subcommittee and did not survive; but a bill was found to put about three-fourths of the provisions onto (H.B. 2370) and CSA will keep working on it. Supervisor Palmer did an excellent job testifying on H.B. 2120, County Official Bond. The Senate Government committee, of which Senator Waring is a member, passed the bill. It does have an emergency clause on it. H.B. 2207, Arizona Medical Board, came out of Rules and should be going to the floor. H.B. 2221, Burial Responsibility, should go to the floor next week. H.B. 2315, Expenditure Limitation; Greenlee County, hit a snag in Senate Finance and has not been put on the agenda yet. There are only two more weeks of committee hearings. Two of the sponsors (Senator Brown and Representative Konopnicki) will help CSA get the bill out of Senate Finance or put it on the agenda. H.B. 2327, Long-term Care; County Contribution, did not receive a hearing because of the budget negotiations. H.B. 2335, County Highway Construction Bids, passed Natural Resources and Transportation and is ready for the floor. S.B. 1180, Registered Sanitarians, is ready for the floor next week.

MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK

**FORMAL SESSION
March 20, 2003**

SJR 1002, Declaring an Emergency; Arizona's Forests. Lisa said the LPC had taken a position in favor of this bill. It moved through the Senate, passed the House Natural Resources and Agriculture committee and was second read. It should be on its way to the Governor soon.

H.B. 2349/S.B. 1036, Public Retiree Health Insurance Subsidy. Al said he attended several stakeholder meetings and there are three bills moving on this issue. Senate bill 1036 would extend the subsidy for two more years at the full amount; S.B. 1222 would cut the rural healthcare subsidy for retirees from ASRS and EORP, but required employers to keep CORP and PSPRS retirees in their active pool; and H.B. 2349 was amended in the Government and Retirement committee with an amendment to continue the subsidy, but to reduce it by 10 percent in FY '04, then by 15 percent in FY '05. A Konopnicki amendment would have required all employer groups to keep a retiree in a pool of employees for healthcare, which was estimated to have driven up the rates by 20 percent. A meeting was held yesterday with the League, ASRS, PSPRS, etc., along with Representatives Konopnicki, Wagner and Huppenthal. The result of the meeting was to scratch Konopnicki's amendment and go back to some form of subsidy. Al said it looks like it will be a continuation of the subsidy for two years, with a 10 percent decrease the first year and a 15 percent decrease the second year. President-elect McLendon commented that this is a very important issue and is a matter of fairness and equity.

H.B. 2411, Governmental Takings; Remedies. Sally advised this bill was defeated on the floor. It was reconsidered two days later and failed again by a greater margin. It is believed to have failed because of the definition of a taking, which is in conflict with the U.S. Constitution definition of taking and the Arizona Constitution's reference on takings. Representative McClure is interested in addressing the problems over the summer.

Lenore Stuart said that S.B. 1194 is asking for two more voting members be put on the Military Airport Preservation committee. Supervisor Casey Prochaska presently serves on the committee, feels the balance of the committee is good at this time, that the committee is well represented, and she is opposed to this bill. President-elect McLendon said that it could be put on the next LPC agenda for consideration.

C. Special Session Update

Sally Bender said it was thought counties were being held harmless in the special session, but there is one hit to the counties on HURF. Ten million dollars is being taken from HURF and given to DPS. A copy of the bill (H.B. 2001, First Special Session) was available and the following are some of the fund transfers listed in the bill summary that was distributed: a hit to the Heritage Fund in two places by \$1 million and \$6 million; \$10 million to DPS from HURF; \$10 million reduction from the State Highway Fund (will not affect the counties' HURF distribution); transfer from the Attorney General's Office of \$200,000 to the Prosecuting Attorneys Fund; \$2.5 million taken from the GADA Revolving Fund; \$200,000 transfer from the Drug and Gang Prevention Resource Center Fund; \$500,000 from the Recycling Fund administered by ADEQ; \$4 million from the Off-highway Vehicle Recreation Fund; \$20 million from the Highway Expansion and Extension Loan Program Fund; \$107,500 from the Department of Administration to the Military Airport Preservation Committee for a survey on noise contours of Luke Air Force Base and Yuma Marine Air Corps Station; \$184,364 from AHCCCS for claims made in Navajo and Apache counties for tribal members; \$400,000 for the Cochise-Wilcox County flood control program; and \$107,000 for rural water studies. The actual bill is 55 pages and the HURF hit is listed on page 39. President-elect McLendon commented that this was the bill that passed to solve the budget shortfall for FY '03.

BRIEFING AND DISCUSSION WITH SHEILA HARRIS, DIRECTOR OF ARIZONA DEPARTMENT OF HOUSING

**FORMAL SESSION
March 20, 2003**

Sheila Harris, the director of the Arizona Department of Housing (ADOH), thanked the board for the opportunity to speak. She provided a folder handout on what the ADOH provides. The ADOH came into existence last October by splitting from the Department of Commerce to become its own state division. Ms. Harris said the department is interested in working with municipal government and nonprofit agencies throughout the state in developing housing. A low income tax credit is available for rental housing. Funding for the Housing Trust Fund comes from property administered through the Department of Revenue. Fifty-five percent of those funds are used to develop housing throughout the state, 20 percent of which must be in rural parts of the state. The department works with COGs in the rural parts of the state to administer block grants and they work statewide to develop special needs housing. A contact sheet on all ADOH staff was provided in the packet of information and Ms. Harris encouraged supervisors to call her. There are two citizen involvement boards – the Arizona Housing Commission and the Arizona Housing Finance Authority. A copy of the Affordable Housing Profile was included in the packet of information. The research on that profile was done by Elliott Pollock. It provides an overview for every county, city, and most tribal communities in the state on the types of housing available in each of the communities. Ms. Harris said the department is trying to develop housing based on individual communities. The website for ADOH is www.housingaz.com.

Mary Rose Wilcox said that Maricopa County is looking at doing a housing authority, but they have always had it as a department rather than an authority. She asked what Sheila Harris would recommend. Ms. Harris suggested they talk to Rebecca Flannigan at HUD because there are sticky legal issues involved. Tom White questioned how ADOH would affect the program on the Navajo Nation. Ms. Harris said ADOH does work on tribal lands, because, as the Affordable Housing Profile shows, the greatest need for housing is on tribal land. She said there are two tribal members on the Housing Commission and they have just added a tribal liaison to their staff, who will begin working next week.

REVIEW OF STATE BUDGET IMPACT TO COUNTIES ON '04

Lisa Atkins advised many handouts were available regarding the '04 budget. The handouts are continually being updated. The Estimated Itemized County Impact of the Governor's Budget was reprinted. She said there are two documents in particular that are of importance – the spreadsheets on the JLBC Chairman's Budget Proposal and on the Governor's Budget Proposal. CSA has been soliciting information from the counties regarding the '04 budget. She said one of the things they were concerned about was that for a cost shift of a dollar from the state to the counties, the cost to the counties is actually going to be much greater. When the information was provided to legislative leadership, they sent it to JLBC. A copy of a March 11th JLBC analysis of CSA's numbers was sent to counties with a summary from CSA on what it did. Lisa pointed out that if that document is carefully read it will show that JLBC agrees with the counties' numbers, to a great degree, on the \$111 million impact to the counties of the JLBC proposal. JLBC decided not to include the one-time costs (i.e., RTC and probation); CSA included them as another hit to counties rather than in the base budget, as JLBC did. She said another document is on the five major differences between the JLBC staff analysis and CSA's budget analysis.

Lisa asked supervisors to keep in mind that in addition to the impact Sally just provided on the '03 budget, there was a previous impact to counties last November with the \$23 million cost shift to counties for the '02/03 budget. Discussions on the '04 budget will begin next week between legislative leadership and the Governor. She said that CSA wants to drive home the point of what the impacts are on the mandate shifts and the costs of those mandates to counties and would greatly appreciate any input from the counties. Sally said that in the '03 in conjunction with '04 \$10 million shift on HURF she previously mentioned, it's an impact to counties of \$1.9 million for '03, with \$759,584 alone for Maricopa County. June 30th is the deadline to deduct that from the HURF allocation to counties, so the May and June allocations will be greatly hit, which will be a large hit at the end of the fiscal year to counties'

MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK

FORMAL SESSION
March 20, 2003

transportation budget. President-elect McLendon requested counties keep talking to legislators because counties can't afford the hits.

COUNTY CAUCUS REPORTS

Tom White noted that the Small County Caucus met last night. Some of the issues they discussed were the NACo board update and the Legislative Conference. Those who attended the conference provided their own reports. Representative Burns and Senator Brown attended the meeting. Supervisor White had given a PowerPoint presentation on Apache County District 2 operations. No other caucus reports were given.

OTHER BUSINESS

Deb Hill asked about legislation that deals with billboards with lights that spell out messages. She said the Flagstaff Chamber of International Darkness Sky committee is concerned about it. Sally replied that the bill is written in Title 28 and is permissive to counties and cities. Supervisor Hill said that the legislation arose when two billboards were put up on an ADOT road inappropriately near Tucson and they were cited for it, so the billboard companies went to the Legislature with it. Sally said the bill states that if a county has an ordinance that doesn't allow the billboard, then it can't be put up. She said the bill could cost \$50 million in federal transportation monies to the state if it passes. She said the bill is moving.

Mary Rose Wilcox asked if the First Responder grant monies were lower than expected. Lisa said she didn't think the appropriation was as high as the President had requested, but she would find out.

Lucy Shipp commented that this was the best the sound system had sounded for CSA meetings and thanked Penny Adams.

Supervisor Shipp said she was glad Supervisor Stuart mentioned S.B. 1194, because it needs to be looked at closely. President-elect said the military airport preservation legislation, S.B. 1194, was important to the state of Arizona.

NEXT MEETING DATE AND TIME

President-elect McLendon noted the next CSA Board of Directors meeting would be held on Thursday, April 17, at CSA at 12:30 p.m., with lunch to be provided at noon. The next LPC meeting has not been determined. He advised that the June CSA board meeting was changed to June 12 from June 19 because AACo changed their conference dates and CSA's meeting is held in conjunction with AACo's conference. Mary Rose Wilcox commented that it worked out nicely to hold the LPC and CSA board meetings together because good information was provided.

President-elect McLendon asked Mary Rose Wilcox if she would take the signed birthday card to Don Stapley since he had already left the meeting. She said she would.

ADJOURNMENT

Jimmie Kerr moved to adjourn the CSA Board of Directors meeting. Pete Byers seconded the motion. There being no further business, President-elect McLendon adjourned the CSA board meeting at 1:55 p.m.

MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK

FORMAL SESSION
March 20, 2003

MEETING ADJOURNED

There being no further business to come before the Board, the meeting was adjourned.

ATTEST:

Fulton Brock, Chairman of the Board

Fran McCarroll, Clerk of the Board